

**AMITE RIVER BASIN
DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA**

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **NOV 02 2011**

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AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

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**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

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BASIC FINANCIAL STATEMENTS

**John L. McKowen, CPA
2178 Myrtle Avenue
Baton Rouge, Louisiana 70806**

INDEPENDENT AUDITORS' REPORT

Board of Commissioners of the
Amite River Basin Drainage and
Water Conservation District
State of Louisiana
3535 South Sherwood Forest Boulevard
Suite 135
Baton Rouge, Louisiana 70816

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Amite River Basin Drainage and Water Conservation District, a component unit of the State of Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Amite River Basin Drainage and Water Conservation District's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

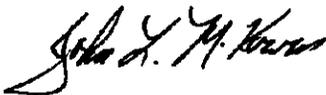
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Amite River Basin Drainage and Water Conservation District as of June 30, 2011, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated August 31, 2011, on my consideration of the Amite River Basin Drainage and Water Conservation District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principals generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Amite River Basin Drainage and Water Conservation District's basic financial statements. The accompanying supplemental information, as listed in the table of contents under Supplemental Schedules and Information and Other Required Supplementary Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



John L. McKowen, CPA
August 31, 2011

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

The purpose of this section is to offer management's discussion and analysis of the Amite River Basin Drainage and Water Conservation District of the State of Louisiana's (hereafter referred to as the District) financial performance during the year ended June 30, 2011. It should be read in conjunction with the financial report taken as a whole.

Highlights of the District as a Whole

Since its inception, the ARBC has been spearheading the construction of the Comite River Diversion Canal Project.

This is a \$189,000,000 Regional Flood Control Project to benefit portions of East Baton Rouge, Ascension and Livingston Parishes.

The project is funded with federal, state and local funds. ARBC and La DOTD are the non-federal sponsors for the Projects. The ultimate federal share can fluctuate between 50% and 70% of the total project cost. The federal share will depend upon the ratio of the cost of construction (a federal responsibility), and the cost of real estate, right of ways, relocations and related activities (non-federal responsibility). The ultimate non-federal share can fluctuate between 30% and 50%. The state funding is provided through the capital outlay process.

The ARBC funds, to carry-out the responsibilities of the District, are funded through a 2.65-mill, 10-year, ad valorem tax approved by the citizens in the District in the year 2010. This was a renewal of a previous 10 year millage.

ARBC's efforts have been concentrated in acquiring rights-of-way, utility relocations, preparation of a Floodplain Management Plan, preparation of plans and specifications for the various features of the canal- highways, bridges, railroad bridges, and control structures.

The real estate acquisition for the project was transferred from the USACE to LA DOTD and ARBC in February 2011. This action will expedite the acquisition of real estate in the future.

Acquisition of lands for mitigation will be highest priority in the coming year.

The Lilly Bayou Control Structure, the largest feature of the Comite River Diversion Canal Project, was recently completed. The next construction feature will be a bridge at Plank Road (La. Hwy. 67) at the Canal Crossing.

Other activities undertaken under the District's auspices include: (1) Provide technical assistance to local governments towards the implementation of their Community Rating System (CRS). This is a FEMA program to lower flood insurance rates to citizens affected by flooding (2) ARBC works closely with the United States Geological Survey (USGS) related to gauges along the Amite, Comite and Colyell Rivers. The information obtained through these gauges helps develop more accurate hydrologic and hydraulic

**AMITE RIVER BASIN DRAINAGE
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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

modeling capabilities. This information is important to the construction of the Comite Diversion Canal Project. Also, these river gauges are a critical and essential part for predicting flood stages during flooding events and is an indispensable tool for emergency preparedness managers and the public in general. A companion to this effort is a "Flood Tracking Chart" published by the District and free of charge to the general public.

Overview of the Financial Statement Presentation

These financial statements are comprised of three components – (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is also other supplemental information contained in this report provided for additional information.

Government-wide Financial Statements. The government-wide financial statements present financial information for all activities of the District from an economic resource measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the District's overall financial status. They include a statement of net assets and statement of activities.

Statement of Net Assets. This statement presents information on all of the District's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or not.

Statement of Activities. This statement presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the District's financial reliance on general revenues.

The government-wide financial statements can be found on pages 10-11 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one category of funds: governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the District's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

Governmental funds of the District include a general fund, capital projects and debt service funds. The fund financial statements begin on page 14.

Budgetary comparison schedules are included for governmental funds under required supplemental information – part 2 of 2. These schedules indicate the District's compliance with its adopted and final revised budgets and begin on page 36.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The index of the notes is found on page 21 with the actual notes beginning immediately afterwards.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that is deemed useful to readers of this report.

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

Financial Analysis of the District

Net assets are an indicator of the District's financial position from year to year. A summary of net assets follows.

**SUMMARY OF NET ASSETS
Governmental Activities**

	<u>2011</u>	<u>2010</u>
Assets		
Current assets	\$ 692,780.02	\$ 716,143.19
Restricted assets	8,609,007.85	2,610,294.14
Capital assets, net	<u>5,969,477.49</u>	<u>10,550,304.11</u>
Total Assets	15,271,265.36	13,876,741.44
Liabilities		
Current liabilities	26,688.80	50,472.71
Liabilities payable from restricted assets	-	525,300.00
Long-term liabilities	<u>128,671.04</u>	<u>114,674.87</u>
Total Liabilities	<u>155,359.84</u>	<u>690,447.58</u>
Net Assets		
Invested in capital assets, net of related debt	5,969,477.49	10,035,304.11
Restricted	9,432,628.93	3,412,172.53
Unrestricted	<u>(286,200.90)</u>	<u>(261,182.77)</u>
Total Net Assets	<u>15,115,905.52</u>	<u>13,186,293.87</u>

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

A summary of changes in net assets is as follows:

**SUMMARY OF CHANGES IN NET ASSETS
Governmental Activities**

	<u>2011</u>	<u>2010</u>
Revenues		
Operating grants/contributions	\$ -	\$ -
General revenues:		
Property taxes	2,459,904.51	2,406,543.73
Sale of excess soil	-	15,471.00
Interest earnings	<u>13,615.19</u>	<u>10,630.39</u>
Total Revenues	2,473,519.70	2,432,645.12
Expenses		
General government	<u>543,908.05</u>	<u>390,480.95</u>
Change in net assets	1,929,611.65	2,042,164.17
Net assets, beginning	<u>13,186,293.87</u>	<u>11,144,129.70</u>
Net assets, ending	<u>15,115,905.52</u>	<u>13,186,293.87</u>

Budgetary Highlights

Revenues and transfers from other funds were \$43,010 less than budgeted, but additional transfers from other funds was deemed unnecessary due to the available cash balance in the General Fund. Expenses were less than anticipated by \$17,992. The net result is an unfavorable net change in General Fund balances of \$25,018.

Capital Asset and Debt Administration

Capital Assets: The District's investment in capital assets, net of accumulated depreciation, at June 30, 2011 and 2010, was \$5,969,477 and \$10,035,304, respectively. The U.S. Army Corp of Engineers returned \$4,650,000 of previously capitalized funds to the District during the year upon termination of a property acquisition agreement, and served to reduce the investment in capital assets by that amount. Additions in both years consisted of continuing costs associated with the construction of the diversion canal. All assets were properly recorded with the State of Louisiana and a detailed list is maintained.

**AMITE RIVER BASIN DRAINAGE
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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS		
Net of Accumulated Depreciation		
Governmental Activities		
	<u>2011</u>	<u>2010</u>
Depreciable Assets		
Furniture/equipment	\$ 9,130.35	\$ 12,205.97
Canals and drainage	<u>5,960,347.16</u>	<u>10,538,098.14</u>
Total	<u>5,969,477.49</u>	<u>10,550,304.11</u>

Long-Term Debt: Long-term debt of the District includes compensated absences at amounts of \$1,671 and \$6,575 at June 30, 2011 and 2010, respectively. There is an unfunded liability for post-employment benefits based on actuarially determined amounts in accordance with GASB No. 45 in the amount of \$127,000 and \$108,100 at June 30, 2011 and 2010, respectively. Finally, certificates of indebtedness issued in December of 2003, in the amount of \$3,600,000, were retired on March 1, 2011.

Economic Environment and Next Year's Budget

We expect to receive adequate appropriations from the State (Capital Outlay) and federal government to continue construction as we have been receiving in the past.

The cost of the project has increased substantially since its inception in year 2001. Furthermore, land values in the vicinity of Zachary, where the proposed canal is located, have also increased substantially. This places further financial burden on the non-federal match because it is the responsibility of the non federal sponsors, the Amite River Basin Commission and Louisiana Department of Transportation and Development, to provide the funding for land acquisitions. As a consequence of this cost increase the Amite River Basin Commission authorized the renewal of a 2.65 mills, 10-year ad valorem tax that was approved by the voters of the District on October 2, 2010.

Request for Information

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Dietmar Rietschier, Executive Director, at 3535 South Sherwood Forest Boulevard, Suite 135, Baton Rouge, Louisiana 70816-2255, 225-296-4900.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
STATEMENTS OF NET ASSETS
JUNE 30, 2011 AND 2010

	Governmental Activities	
ASSETS	2011	2010
Current Assets		
Cash and cash equivalents	\$ 690,890.07	\$ 712,954.44
Prepaid expenses	1,889.95	3,188.75
Total Current Assets	692,780.02	716,143.19
Restricted Assets		
Cash and cash equivalents/capital projects	8,572,776.01	2,610,294.14
Taxes receivable	36,231.84	-
Total Restricted Assets	8,609,007.85	2,610,294.14
Non-Current Assets		
Capital assets, net of accumulated depreciation:		
Furniture and equipment	9,130.33	12,205.97
Canals and drainage	5,960,347.16	10,538,098.14
Total Non-Current Assets	5,969,477.49	10,550,304.11
Total Assets	15,271,265.36	13,876,741.44
LIABILITIES		
Current Liabilities		
Accounts payable	21,209.76	44,993.67
Accrued salaries payable	5,479.04	5,479.04
Total Current Liabilities	26,688.80	50,472.71
Liabilities Payable from Restricted Assets		
Accrued interest payable	-	10,300.00
Bonds payable, current portion \$515,000 and \$495,000	-	515,000.00
Total Liabilities Payable from Restricted Assets	-	525,300.00
Non-Current Liabilities		
Compensated absences payable	1,671.04	6,574.87
Other post-employment benefits plan payable	127,000.00	108,100.00
Total Non-Current Liabilities	128,671.04	114,674.87
Total Liabilities	155,359.84	690,447.58
NET ASSETS		
Invested in capital assets, net of related debt	5,969,477.49	10,035,304.11
Restricted for capital projects	9,432,628.93	3,412,172.53
Unrestricted	(286,200.90)	(261,182.77)
Total Net Assets	15,115,905.52	13,186,293.87

See Accompanying Notes and Auditors' Report

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

<u>Functions/Programs</u>	Program Revenues			Net Revenues (Expenses)
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
General government	\$ 543,908.05	\$ -	\$ -	\$ (543,908.05)
Total Governmental Activities/Primary Government	543,908.05	-	-	(543,908.05)
General Revenues				
Property taxes, levied for capital projects				2,459,904.51
Investment earnings				13,615.19
Total General Revenues				2,473,519.70
Change in Net Assets				1,929,611.65
Net Assets, beginning				13,186,293.87
Net Assets, ending				15,115,905.52

See Accompanying Notes and Auditors' Report

FUND FINANCIAL STATEMENTS

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
BALANCE SHEETS
GOVERNMENTAL FUNDS
JUNE 30, 2011 AND 2010

	2011			2009		
	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 690,890.07	\$ 690,890.07	\$ 690,890.07	\$ 712,954.44		\$ 712,954.44
Prepaid expenses	1,889.95	1,889.95	1,889.95	3,188.75		3,188.75
Restricted assets:						
Cash and cash equivalents		8,572,776.01	8,572,776.01		2,610,294.14	2,610,294.14
Taxes receivable		36,231.84	36,231.84		-	
TOTAL ASSETS	<u>692,780.02</u>	<u>8,609,007.85</u>	<u>9,301,787.87</u>	<u>716,143.19</u>	<u>2,610,294.14</u>	<u>3,326,437.33</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	10,142.46	11,067.30	21,209.76	8,487.50	36,506.16	44,993.66
Accrued salaries payable	5,479.04	-	5,479.04	5,479.04	-	5,479.04
Liabilities payable from restricted assets:			-			-
Accrued interest payable	-	-	-	-	10,300.00	10,300.00
Total Liabilities	<u>15,621.50</u>	<u>11,067.30</u>	<u>26,688.80</u>	<u>13,966.54</u>	<u>46,806.16</u>	<u>60,772.70</u>

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
BALANCE SHEETS (Continued)
GOVERNMENTAL FUNDS
JUNE 30, 2011 AND 2010

	2011		2010			
	<u>General</u>	Other Govern- mental Funds	Total Govern- mental Funds	<u>General</u>	Other Govern- mental Funds	Total Govern- mental Funds
Fund Balances:						
Nonspendable	\$ 1,889.95	\$ -	\$ 1,889.95	\$ -	\$ -	\$ -
Committed						
Assigned						
For other post-employment benefits		127,000.00	127,000.00			
For capital projects	\$ 8,470,940.55		8,470,940.55			
Unassigned	675,268.57	-	675,268.57	702,176.65	-	2,563,487.98
Total Fund Balances	677,158.52	8,597,940.55	9,275,099.07	702,176.65	2,563,487.98	3,265,664.63
TOTAL LIABILITIES AND						
FUND BALANCES	692,780.02	8,609,007.85	9,301,787.87	716,143.19	2,610,294.14	3,326,437.33

See Accompanying Notes and Auditors' Report

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEETS
TO THE GOVERNMENT-WIDE STATEMENTS OF NET ASSETS
JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Total Fund Balances - Total Governmental Funds	\$ 9,275,099.07	\$ 3,265,664.63
Amounts reported for governmental activities in the Statements of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in these funds. This is the reported amount of capital assets net of accumulated depreciation.	5,969,477.49	10,550,304.11
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in these funds. Long- term liabilities include the following:		
Compensated absences	(1,671.04)	(6,574.87)
Other post-employment benefits plan	(127,000.00)	(108,100.00)
Bonds payable	-	(515,000.00)
	15,115,905.52	13,186,293.87
Total Net Assets - Governmental Activities	15,115,905.52	13,186,293.87

See Accompanying Notes and Auditors' Report

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA**

**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEARS ENDED JUNE 30, 2011 AND 2010**

	2011			2010		
	General	Other Govern- mental Funds	Total Govern- mental Funds	General	Other Govern- mental Funds	Total Govern- mental Funds
REVENUES						
Property taxes	\$ -	\$ 2,459,904.51	\$ 2,459,904.51	\$ -	\$ 2,406,543.73	\$ 2,406,543.73
Sale of excess soil	-	-	-	-	15,471.00	15,471.00
Investment earnings	1,448.40	12,166.79	13,615.19	1,435.44	9,194.95	10,630.39
Total Revenues	1,448.40	2,472,071.30	2,473,519.70	1,435.44	2,431,209.68	2,432,645.12
EXPENDITURES						
General government	269,407.88	257,428.36	526,836.24	241,116.76	129,958.87	371,075.63
Capital outlay	-	56,715.25	56,715.25	-	168,548.98	168,548.98
Debt service:						
Principal	-	515,000.00	515,000.00	-	495,000.00	495,000.00
Interest	-	15,533.77	15,533.77	-	48,085.48	48,085.48
Total Expenditures	269,407.88	844,677.38	1,114,085.26	241,116.76	841,593.33	1,082,710.09

Excess (Deficiency) of						
Revenues over Expenditures	(267,959.48)	1,627,393.92	1,359,434.44	(239,681.32)	1,589,616.35	1,349,935.03

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
GOVERNMENTAL FUNDS
YEARS ENDED JUNE 30, 2011 AND 2010

	2011			2010		
	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	\$ 242,941.35	\$ -	\$ 242,941.35	\$ 252,194.08	\$ -	\$ 252,194.08
Transfers to other funds	-	(242,941.35)	(242,941.35)	-	(252,194.08)	(252,194.08)
Termination of Acquisition Agreement	-	4,650,000.00	4,650,000.00	-	-	-
Total Other Financing Sources (Uses)	242,941.35	4,407,058.65	4,650,000.00	252,194.08	(252,194.08)	-
Net Change in Fund Balances	(25,018.13)	6,034,452.57	6,009,434.44	12,512.76	1,337,422.27	1,349,935.03
Fund balances, beginning	702,176.65	2,563,487.98	3,265,664.63	689,663.89	1,226,065.71	1,915,729.60
Fund balances, ending	677,158.52	8,597,940.55	9,275,099.07	702,176.65	2,563,487.98	3,265,664.63

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENTS
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Net Change in Fund Balances - Total Governmental Funds	\$ 6,009,434.44	\$ 1,349,935.03
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	69,173.37	213,558.82
Previously capitalized cash contributions to a land acquisition agreement with the U S Army Corp of Engineers returned to the District upon termination of the agreement is not reported in the Statement of Activities, but provides current financial resources to governmental funds.	(4,650,000.00)	
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which proceeds differed from repayments.	515,000.00	495,000.00
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net change in:		
Compensated absences	4,903.84	2,770.32
Other post-employment benefits plan	(18,900.00)	(19,100.00)
Change in Net Assets - Governmental Activities	1,929,611.65	2,042,164.17

See Accompanying Notes and Auditors' Report

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INTRODUCTION

The Amite River Basin Drainage and Water Conservation District is a component unit of the State of Louisiana as provided by Louisiana Revised Statute 38:3301-3309. The District serves as a multi-parish authority to accomplish flood control measures, facilitate cooperation between federal, state and local governing bodies to foster floodplain management, maintain and operate structures built under the auspices of the Amite River Basin Commission and coordinate river management within the basin. It is charged with the responsibility to establish adequate drainage, flood control and water development including, but not limited to, construction of reservoirs, diversion canals, gravity and pumped drainage systems and other flood control works. The basin includes all territory within the watershed limits of the Amite River and tributaries covering areas within the parishes of East Baton Rouge, St. Helena, East Feliciana, Livingston and those portions east of U.S. Highway 61 in Ascension and St. James Parishes.

The District is managed by a Board of Commissioners composed of 13 members that are appointed by the Governor of the State of Louisiana and serve terms concurrent with that of the Governor. Domiciled in Baton Rouge, the District is advised by the Louisiana Department of Transportation and Development. Commissioners, as authorized by Louisiana Revised Statute 38:3304, receive a per diem to attend meetings or conduct board-approved business not to exceed \$60 per day.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Amite River Basin Drainage and Water Conservation District conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the District is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the majority of the board members and public service is rendered within the State's boundaries. The accompanying financial statements present only the transactions of the Amite River Basin Drainage and Water Conservation District.

Government-wide Accounting: In accordance with Government Accounting Standards Boards Statement No. 34, the District has presented a statement of net assets and statement of activities for the District as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-

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wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Interfund receivables and payable are eliminated in the statement of net assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses, from one function to another or within the same function, is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Application of FASB Statements and Interpretations

Reporting on governmental-type and business-type activities is based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized along with interest on debt incurred during construction. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net assets.

Using the requirements of GASB Statement No. 34, the District is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. The District has opted not to retroactively report these types of capital assets.

Program Revenues

The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the District. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

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Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the District has chosen not to do so.

Operating/Non-Operating Revenues

Proprietary funds separately report operating and non-operating revenues.

Reserved Net Assets

Reserved net assets are those for which a constraint has been imposed either externally or by law. The District recognized the use of reserved resources for expenditures that comply with the specific restrictions. Reserved resources are exhausted before unreserved net assets are used.

Fund Types and Major Funds: The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified under one category: governmental. This category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the District's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General – accounts for all activities not required to be reported in another fund;
2. Capital Projects – accounts for the flow of resources related to the construction, acquisition or renovation of capital assets; and
3. Debt Service – accounts for the accumulation of resources for the payment of long-term debt principal and interest.

These funds are considered major funds. The capital projects and debt service funds report the activity of the Comite Diversion Canal Project and are combined for reporting purposes.

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Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles and are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy.

The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principle and interest paid on long-term debt is reported as current expenses.

Budgets and Budgetary Accounting: The District adopts an annual budget for all of its funds, prepared in accordance with the basis of accounting utilized by that fund. The Board must approve any revisions that alter the total expenditures. Budgeted amounts shown are as originally adopted and as amended by the Board. Budget amendments are passed on an as-needed basis. A balanced budget is required.

The budget is submitted to the State of Louisiana as prescribed by Louisiana Revised Statute 36:803 and submitted to the Legislature in accordance with 39:1331-1342. Although budget amounts lapse at year-end, the District retains its unexpended fund balances to fund expenditures of the succeeding year.

Cash and Cash Equivalents: Cash includes amounts in interest bearing demand deposits and funds held by the Louisiana Asset Management Pool (LAMP). Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market

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accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. The District did not have any investments at June 30, 2011 or 2010.

Inventory: Inventory of the District includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted Assets: Certain proceeds of the District, primarily property taxes, are classified as restricted assets on the balance sheet because their use is limited.

Capital Assets: The District's assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Equipment	4-10 years	Infrastructure	40-50 years
Office furniture	5-7 years		

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the basic financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the District has elected to not report its governmental infrastructure retroactively. From this point forward, the District will use the basic approach to infrastructure reporting for its governmental activities when applicable.

Compensated Absences: Employees of the District had accumulated and vested \$1,671.04 and \$6,574.88 at June 30, 2011 and 2010, respectively, in employee leave benefits. These were computed in accordance with GASB Codification Section C60.150.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the statement of net assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

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Net Assets/Fund Balances: In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net assets that are reserved by external sources, such as banks or by law, are reported separately as restricted net assets. When assets are required to be retained in perpetuity, this non-expendable net asset is recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the balance sheet of governmental funds, fund balances are segregated as follows:

Nonspendable

These resources are either inherently nonspendable because they are not cash, or legal or contractual provisions require that they be maintained intact.

Restricted

This category represents that portion of equity subject to externally enforceable legal restrictions.

Committed

These resources are constrained by limitations that the government imposes upon itself at the highest level of decision making and that remain binding unless removed in the same manner.

Assigned

This category represents the government's intended use of resources.

Unassigned

These resources represent the excess of what is properly categorized in each of the above four categories.

Interfund Transactions: All interfund transactions except quasi-external transactions are reported as operating transfers. These are eliminated in the government-wide statements.

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NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Board does not have any deposits that fall within that category. The collected bank balances at June 30, 2011 and 2010 were \$304,108 and \$400,904, respectively. Deposits of the District are secured with \$500,000 (\$250,000 at Capital One and \$250,000 at Hancock Bank) of insurance through FDIC and \$1,332,832 of pledged collateral.

The following is a summary of cash and cash equivalents (book balances):

	<u>General Fund</u>		<u>Capital Projects Fund</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Petty cash	\$ 200.00	\$ 200.00	\$ 0.00	\$ 0.00
Interest-bearing demand deposits	91,191.18	114,328.48	194,324.50	286,575.09
LAMP	599,498.89	598,425.96	8,378,451.51	2,323,719.05
Total	<u>690,890.07</u>	<u>712,954.44</u>	<u>8,572,776.01</u>	<u>2,610,294.14</u>

NOTE 3 – RESTRICTED ASSETS

Restricted assets include cash, cash equivalents and taxes receivable totaling \$8,609,007.85 at June 30, 2011 and \$2,610,294.14 at June 30, 2010. These assets were accumulated for the construction of a diversion canal for the Comite River thus restricting their use for that purpose.

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NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Furniture and equipment	\$ 66,127.13	\$.00	\$.00	\$ 66,127.13
Less: accumulated depreciation	(53,921.15)	(3,075.65)	.00	(56,996.80)
Net Furniture and Equipment	<u>12,205.98</u>	<u>(3,075.65)</u>	<u>.00</u>	<u>9,130.33</u>
Canals and drainage	10,538,098.14	72,249.02	(4,650,000.00)	5,960,347.16
Less: accumulated depreciation	.00	.00	.00	.00
Net Canals and Drainage	<u>10,538,098.14</u>	<u>72,249.02</u>	<u>(4,650,000.00)</u>	<u>5,960,347.16</u>
Net Capital Assets, being depreciated	<u>10,550,304.12</u>	<u>69,173.37</u>	<u>(4,650,000.00)</u>	<u>5,969,477.49</u>

During the current year, the District, along with the Louisiana Department of Transportation and Development terminated a land acquisition agreement with the U.S. Army Corp of Engineers to secure property for the Comite River Diversion Canal. As a result, \$4,650,000 of previously capitalized contributions to the project was refunded to the District, resulting in a reduction of capital assets.

The District capitalizes interest paid, less interest earned on capital project funds, during construction on debt incurred for that purpose.

NOTE 5 – LEAVE

Annual and Sick Leave. The District's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service. Accumulated leave is carried forward to succeeding years without limitation. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure when leave is actually taken in the fund financial statements. The cost of leave privileges not requiring current resources is recorded by governmental funds in long-term obligations.

Only annual leave is accrued in the accompanying statements of net assets at \$1,671.04 and \$6,574.88 for June 30, 2011 and 2010, respectively.

Compensatory Leave. Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for

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any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no compensatory leave time accrued at June 30, 2011 or 2010.

NOTE 6 -- RETIREMENT SYSTEM

Substantially all of the employees of the District are members of the Louisiana State Employees Retirement System (System), cost sharing, multiple-employer and defined benefit pension plan. The System is a statewide public retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time employees are eligible to participate. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service or (c) age 60 with 10 years of service. An option of reduced benefits at any age with 20 years of service is available. The System also provides death and disability benefits. The System issues an annual financial report that is available to the public including financial statements and required supplementary information of the System. That report may be obtained by contacting the Louisiana State Employees Retirement System, P. O. Box 44213, Baton Rouge, La. 70804, 225-922-0605 or 800-256-3000.

Covered employees are required to contribute 7.5% of gross salary to the plan, and the District is required to contribute an actuarially determined rate as required by Louisiana Revised Statute 11:102. That rate for the year ended June 30, 2011, was 22.0%. Contributions to the System for the years ended June 30, 2011, 2010 and 2009, were \$28,557, \$27,308 and \$24,125, respectively.

NOTE 7 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The District may provide certain continuing health care and life insurance benefits for its retired employees through the Louisiana Office of Group Benefits. Substantially all of the Commission's employees become eligible for those benefits if they reach normal retirement age while working for the Commission and were covered by the Commission's active medical plan immediately prior to retirement. Those benefits include joint payment of monthly premiums for the coverage provided.

Plan Description. The State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) is an agent multiple-employer plan administered by the Louisiana Office of Group Benefits (OGB). There are three plans available to eligible retirees for health care – OGB Preferred Provider Organization (PPO), Humana Health Maintenance Organization (HMO) and United Exclusive Provider Organization (EPO). Participants eligible for Medicare coverage can choose one of two OGB Medicare Advantage Plans, either an HMO or a private fee-for-service (PFFS) plan. Life insurance benefits include basic term life, basic plus supplemental term life, dependent term life and employee accidental death and dismemberment coverage. The policy is underwritten by The Prudential Insurance Co. of America.

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LRS 42:801-883 provides for the authority under which benefit provisions are established and may be amended. The OGB does not issue a stand-alone report; however, it is included in the Louisiana Comprehensive Annual Financial Report (CAFR). The CAFR may be obtained from Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap, writing to P. O. Box 94095, Baton Rouge, LA 70804-9095 or by calling 225-342-0708.

Funding Policy. LRS 42:801-883 provides for the authority under which the obligations of the plan members and the system are established and may be amended. For employees hired prior to January 1, 2002, the cost of coverage is shared 25% by the participant and 75% by the Commission with the exception of single retirees under age 65. He/she must pay 25% of the active employee cost. Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate based on his/her years of service at retirement (under 10 yrs. – 81%; 10-14 yrs. – 62%; 15-19 yrs. – 44%; 20+ yrs. – 25%). A lifetime maximum for healthcare benefits is set at \$5,000,000 for the PPO, HMO and EPO plans. The retiree must pay 50% of the life insurance premiums for him or her and 88% for his/her spouse. Maximum coverage is capped at \$50,000.

Premiums paid for healthcare coverage vary depending on the plan chosen. For the year ended June 30, 2011, this amount ranges from \$326 to \$338 per month for single active members with Medicare or \$985 to \$1,039 per month without Medicare.

Premiums paid for retiree and spouse range from \$1,191 to \$1,249 per month for those with Medicare or \$1,739 to \$1,835 per month for those without Medicare. The rates for retirees with children are slightly higher than the single rates and family coverage is slightly higher than the retiree/spouse rates. The plan is currently financed on a pay-as-you-go basis by the District.

OPEB Cost/Obligation. The District's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the year beginning July 1, 2010, is as follows:

Annual Required Contribution/OPEB Cost	\$ 18,700
Adjustment for interest and amortization	200
Contributions made	<u>0</u>
Change in net OPEB Obligation	18,900
Net OPEB obligation – beginning of year	<u>108,100</u>
Net OPEB obligation – end of year	<u>\$127,000</u>

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The District's annual OPEB cost, the percentage of OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year June 30, 2011, 2010, 2009, and 2008 was as follows:

Fiscal Year End	Annual OPEB Cost	% of OPEB Cost Contributed	Net OPEB Obligation
6/30/08	\$47,000	0%	\$47,000
6/30/09	42,000	0%	42,000
6/30/10	19,100	0%	108,100
6/30/11	18,900	0%	127,000

Utilizing the pay-as-you-go method, the Commission contributed 0% of the annual post-employment benefits cost during the current year. Because this is the first year of implementation, information for prior years is not presented.

Funding Status and Funding Progress. As of June 30, 2011, the Commission had not made any contributions to its post-employment benefits plan trust. A trust was established during the current year but was not funded. Thus, it has no plan assets and a funding ratio of zero. Funding status and progress is summarized below.

Unfunded actuarial accrued liability (UAAL)	\$ 127,000
Covered payroll (active employees)	131,497
 UAAL as a percentage of covered payroll	 97%

Actuarial Methods/Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and

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initial annual healthcare cost trend rate of 9.0% and 10.1% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at July 1, 2010, was thirty years.

NOTE 8 – LEASES

Operating Leases. The District leases office space on an annual basis. For each of the years ended June 30, 2011 and 2010, payments of \$21,072 were made. The monthly rental amount is \$1,756. A copier is leased on a month-to-month basis from Xerox Corporation for \$246.80 per month or \$2916.60 annually.

Capital Leases. The District has no capital leases.

NOTE 9 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2011:

<u>Class of Payables</u>	<u>General</u>	<u>Capital Projects</u>
Accounts	\$ 10,142.46	\$ 11,067.30
Salaries	5,479.04	.00
Total	<u>15,621.50</u>	<u>11,067.30</u>

NOTE 10 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds payable	\$ 515,000.00	\$.00	\$ 515,000.00	\$.00	\$.00
Compensated absences	6,574.87	10,051.20	14,955.03	1,671.04	.00
Other post-employment benefits plan	<u>108,100.00</u>	<u>18,900.00</u>	<u>.00</u>	<u>127,000.00</u>	<u>.00</u>
Total	<u>629,674.87</u>	<u>28,951.20</u>	<u>529,955.03</u>	<u>128,671.04</u>	<u>.00</u>

The District, as authorized under Section 742.2 of Title 39 of the Louisiana Revised Statutes of 1950 and other constitutional and statutory authority, issued Limited Tax Certificates of Indebtedness, Series 2003 in the amount of \$3,600,000 in December of 2003. The purpose of these funds was to provide necessary revenues to carry out the District's local share of the Comite River Diversion Canal Project as authorized in a proposition approved by the voters on July 15, 2000. Repayment was completed March 1, 2011.

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 11 – INTERFUND TRANSACTIONS

Transfers among governmental funds were as follows during the current year:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Transfers from other funds	\$ 242,941.35	\$ 545,900.00	\$.00
Transfers to other funds	<u>.00</u>	<u>.00</u>	<u>(788,841.35)</u>
Total Transfers	<u>242,941.35</u>	<u>545,900.00</u>	<u>(788,841.35)</u>

NOTE 12 – RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure.

NOTE 13 – LITIGATION

The Board of Commissioners of the District has been named a co-defendant in a class action lawsuit filed on behalf of the taxpayers in the Comite River Diversion Canal Impact Area alleging that the District illegally collected ad valorem taxes associated with the Comite River Diversion Canal Project in excess of the amount approved by the voters and/or used funds collected from taxes for purposes other than that for which the tax was approved.

Plaintiffs seek the return of all monies paid for ad valorem taxes in excess of the Local Match with any interest earned thereon from the date of collection, damages, and costs.

The District is vigorously contesting the case. The District does not believe the Plaintiff's claims are meritorious, but believes that the tax which was levied and collected was appropriate and in accordance with the Proposition passed by the voters on two separate occasions.

Further, the District does not believe that it has any liability for the allegations asserted, and an unfavorable outcome is remote. As discovery is still ongoing, the district continues to incur costs associated with litigating this matter, but is unable to estimate incremental cost.

In another case, the President of the Board of Commissioners of the District both individually and in his official capacity, along with another board member individually have filed a Petition of Declaratory Judgment against the Louisiana Office of Coastal Protection and Restoration and the Coastal Protection Restoration Authority seeking to declare as unconstitutional certain state statutes relating to certain prohibitions concerning cooperative endeavors between the Board of Commissioners of the

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

District, the Louisiana Department of Transportation and Development, the U.S. Army Corp of Engineers, and the State of Louisiana. The District filed a Request for Preliminary and Permanent Injunction due to the adverse effects that Act 734 of the Regular Session of the 2010 Louisiana legislature had on the District's ability to fulfill its obligations concerning the acquisition of mitigation property for the Comite River Diversion Canal Project.

The suit seeks to declare certain provisions contained in Act 734 as unconstitutional, declare that the constitutional principles allowing for cooperative endeavors and expropriation of property for public purposes should be upheld, and order a preliminary injunction ceasing the prohibition against the expropriation of property for the purpose of compensatory mitigation of wetland or other natural habitat. Other than requesting reimbursement of court costs and payment of attorney fees, the District is not seeking a monetary judgment in this matter.

Discovery in this matter has been completed, with the exception of a pending Motion to Compel Discovery filed by the Plaintiffs. The case has been scheduled to be heard on December 5, 2011.

The District intends to have this matter heard, and it is unlikely that the matter will resolved outside of court. The District's potential loss in this matter is the associated costs of litigation, court costs, and attorney's fees, which it is unable to estimate as of August 31, 2011. There are no damages sought or involved in this case.

NOTE 15 – SUBSEQUENT EVENTS

Management of the District has evaluated subsequent events through August 31, 2011, the date that the financial statements were to be issued and has determined that there are no significant subsequent events that require recognition or disclosure through that date.

**REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)**

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2011**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
State appropriation	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	1,448.40	1,448.40
Total Revenues	-	-	1,448.40	1,448.40
EXPENDITURES				
Personal services	187,100.00	188,100.00	183,484.47	4,615.53
Travel	13,700.00	17,500.00	11,021.23	6,478.77
Advertising, dues and subscriptions	7,500.00	5,000.00	3,621.39	1,378.61
Printing/duplication/typing/binding	5,000.00	1,500.00	2,227.37	(727.37)
Communications	7,500.00	7,500.00	5,218.76	2,281.24
Rentals	26,500.00	26,500.00	25,639.79	860.21
Maintenance/property and equipment	2,000.00	2,000.00	887.07	1,112.93
Professional services	34,500.00	19,000.00	13,430.45	5,569.55
Materials and supplies	3,000.00	3,000.00	2,277.35	722.65
Intergovernmental	-	16,800.00	21,600.00	(4,800.00)
Capital outlay	1,000.00	500.00	-	500.00
Total Expenditures	287,800.00	287,400.00	269,407.88	17,992.12
Excess (Deficiency) of Revenues over Expenditures	(287,800.00)	(287,400.00)	(267,959.48)	19,440.52
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	287,800.00	287,400.00	242,941.35	(44,458.65)
Use of available funds			25,018.13	25,018.13
Total Other Financing Sources (Uses)	287,800.00	287,400.00	267,959.48	(19,440.52)
Net Change in Fund Balances	-	-	-	-
Fund Balances, beginning	702,176.65	702,176.65	702,176.65	-
Fund Balances, ending	702,176.65	702,176.65	702,176.65	-

See Auditors' Report

SUPPLEMENTAL SCHEDULES AND INFORMATION

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2011**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem paid to board members is presented for the year ended June 30, 2011.

<u>Name</u>	<u>Amount</u>
Brass, John C.	780.00
Callender, Lawrence E.	1,875.00
Cornette, Russell W.	450.00
Lee, Willie George	525.00
Louque, Joel T.	465.00
Louque, Terry	840.00
Rouchon, Anthony "Tony"	645.00
Saucier, Randolph J.	495.00
Thibeau, Jerry R.	1,020.00
Thomas, Larry N.	960.00
Thompson, Donald "Don" E.	1,170.00
Zuelke, Dale S.	<u>780.00</u>
Totals	<u>10,005.00</u>

See Auditors' Report

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
SCHEDULE OF PROFESSIONAL SERVICE PAYMENTS
YEAR ENDED JUNE 30, 2011**

The following payments were made to contractors for professional services rendered for surveys, feasibility studies and/or special studies:

Contract Date	Description	Amount
6/15/2010	Louisiana Utility Consultants, L.L.C. Right-of-way claims services	\$ 47,072.41
2/15/2011	Gulf Coast Testing, L.L.C. Environmental compliance	1,950.00
9/23/2009	Air Environmental Services Asbestos inspection	950.00
	Total	<u>\$ 49,972.41</u>

See Auditors' Report

John L. McKowen, CPA
2178 Myrtle Avenue
Baton Rouge, Louisiana 70806

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners of the
Amite River Basin Drainage
And Water Conservation District
State of Louisiana
3535 South Sherwood Forest Boulevard
Suite 135
Baton Rouge, Louisiana 70816-2255

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Amite River Basin Drainage and Water Conservation District (the District,) a component unit of the State of Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued my report thereon dated August 31, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Commissioners of the District, the Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.



John L. McKowen, CPA
August 31, 2011

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

I have audited the financial statements of the Amite River Basin Drainage and Water Conservation District as of and for the year ended June 30, 2011, and have issued my report thereon August 31, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2011 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	Material Weakness	<input type="checkbox"/> No
	Control Deficiency(ies)	<input type="checkbox"/> No
Compliance	Compliance Material to F/S	<input type="checkbox"/> No
	Control Deficiency(ies)	<input type="checkbox"/> No

2. Federal Awards

N/A

Section II Financial Statement Findings

None

Section III Federal Award Findings and Questioned Costs

N/A

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2010**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

2010-1 Adherence to Contract Limitations

During my review of contracts for professional services, I noted one instance of a contract which had been limited to a total of Ten Thousand (\$10,000.00) Dollars in payments for the fiscal year ended June 30, 2011, yet total payments far exceeded that amount during the year. While the payments were reviewed each month by the Finance Committee and the Board of Commissioners, I suggest that new contracts be executed with the supplier prior to exceeding the limitation in any particular contract period.

Management became aware of the oversight while preparing audit documents for the prior year audit and discussed the matter at the August 17, 2010 meeting of the District Board of Commissioners. The Board of Commissioners approved a motion to amend the contract to not exceed \$50,000.

2010-2 Sheriff's Commission

The District's primary source of revenues is a 3 mill ad valorem tax collected by the sheriff of each parish within the Comite River Diversion Canal Impact Area. A summary of fiscal year 2010-2011 tax collections provided by management revealed sheriff's office deductions from collected amounts entitled "Pension Fund," "Commissions" and "Miscellaneous." Act 689 adopted by the legislature in 1976 created a law enforcement district within each parish to provide financing to the office of the sheriff. The Attorney General has issued several opinions, the numbers of which have been provided to management, indicating that the sheriff is to fund the costs associated with the collection of ad valorem taxes solely through the various law enforcement millages authorized in Act 689. I suggest that management discuss the matter with legal counsel regarding the legality of the sheriffs' deductions.

The District's attorney agreed that the collection of commissions by the Sheriffs appears to violate La. R.S. 33:9001. Management responds that it will pursue the matter. This matter is presently in litigation with another agency, and the District is awaiting the outcome with the Court of Appeal.

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2011**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

OTHER REQUIRED SUPPLEMENTARY INFORMATION

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
LOUISIANA COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2011**

As a component unit of the State of Louisiana, the financial statements of the Amite River Basin Drainage and Water Conservation District are included in Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration. The amounts recorded have been subjected to the same auditing procedures as those recorded in the accompanying financial statements.

AMITE BASIN RIVER DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2011

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

MD&A

Balance Sheet	A
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
Statement of Activities (See Also Instructions for Simplified Statement of Activities)	C
Statement of Cash Flows	D

Notes to the Financial Statements

- A. Summary of Significant Accounting Policies
- B. Budgetary Accounting
- C. Deposits with Financial Institutions and Investments (See OSRAP Memo 11-36, Appendix A)
- D. Capital Assets – Including Capital Lease Assets
- E. Inventories
- F. Restricted Assets
- G. Leave
- H. Retirement System
- I. Other Postemployment Benefits (Additional information in OSRAP Memo 11-36, Appendix D)
- J. Leases
- K. Long-Term Liabilities
- L. Contingent Liabilities
- M. Related Party Transactions
- N. Accounting Changes
- O. In-Kind Contributions
- P. Defeased Issues
- Q. Revenues or Receivables – Pledged or Sold (GASB 48) (See OSRAP Memo 11-36, Appendix E)
- R. Government-Mandated Nonexchange Transactions (Grants)
- S. Violations of Finance-Related Legal or Contractual Provisions
- T. Short-Term Debt
- U. Disaggregation of Receivable Balances
- V. Disaggregation of Payable Balances
- W. Subsequent Events
- X. Segment Information
- Y. Due to/Due from and Transfers
- Z. Liabilities Payable from Restricted Assets

- AA. Prior-Year Restatement of Net Assets
- BB. Net Assets Restricted by Enabling Legislation (See OSRAP Memo 11-36, Appendix C)
- CC. Impairment of Capital Assets (See OSRAP Memo 11-36, Appendix B)
- DD. Employee Termination Benefits
- EE. Pollution Remediation Obligations
- FF. American Recovery and Reinvestment Act (ARRA)

Schedules

- 1 Schedule of Per Diem Paid to Board Members
- 2 Not Applicable
- 3 Schedules of Long-Term Debt
- 4 Schedules of Long-Term Debt Amortization
- 5 Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non-GAAP Basis (applicable only for entities whose budget is appropriated by the legislature)
- 15 Schedule of Comparison Figures and Instructions
- 16 Schedule of Cooperative Endeavors (see OSRAP Memo 11-36 Appendix F)

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended June 30, 2011

AMITE BASIN RIVER DRAINAGE AND WATER CONSERVATION DISTRICT
3535 SHERWOOD FOREST BOULEVARD, SUITE 135
BATON ROUGE, LOUISIANA 70816-2255

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

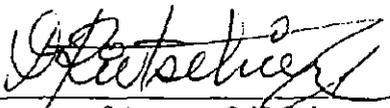
LLAFileroom@lla.la.gov

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

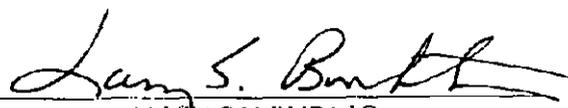
Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Dietmar Rietschier, Executive Director of the Amite River Basin Drainage and Water Conservation District who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Amite River Basin Drainage and Water Conservation District at June 30, 2011 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this _____ day of August, 2011.



Signature of Agency Official



NOTARY PUBLIC

Prepared by: Dietmar Rietscher

Title: Executive Director

Telephone No.: (225) 296-4900

Date: August 31, 2011

Email Address: drietschier@amiteriver.org

LARRY S. BANKSTON
NOTARY PUBLIC
La. Bar Roll #02744
State Of Louisiana
My Commission is for Life

**STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2011**

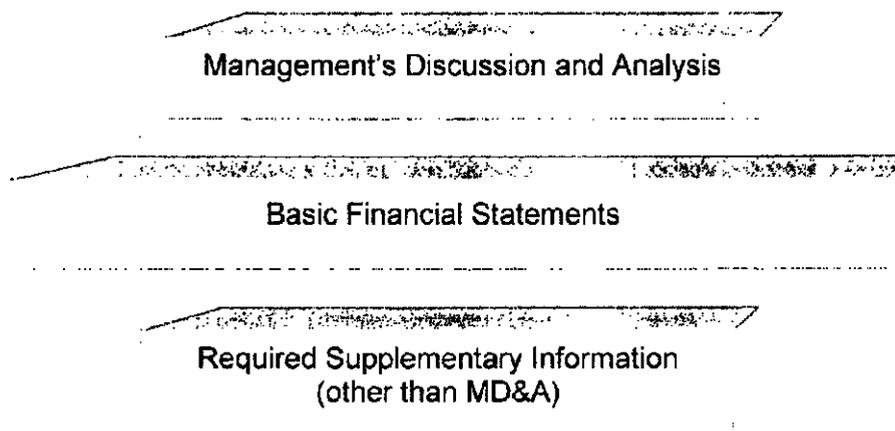
Management's Discussion and Analysis of the Amite River Basin Drainage and Water Conservation District's financial performance presents a narrative overview and analysis of Amite River Basin Drainage and Water Conservation District's financial activities for the year ended June 30, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter and the Amite River Basin Drainage and Water Conservation District's financial statements.

FINANCIAL HIGHLIGHTS

- ★ The Amite River Basin Drainage and Water Conservation District's assets exceeded its liabilities at the close of fiscal year 2011 by \$15,115,906, which represents a 14.6% increase from last fiscal year.
- ★ The Amite River Basin Drainage and Water Conservation District's revenue increased \$40,875 (or 1.7%) and the net results from activities decreased by \$112,552 (or 5.5%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the Amite River Basin Drainage and Water Conservation District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2011**

The Balance Sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Amite River Basin Drainage and Water Conservation District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how Amite River Basin Drainage and Water Conservation District's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows presents information showing how Amite River Basin Drainage and Water Conservation District's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
 as of June 30, 2011
 (in thousands)

	Total	
	2011	2010
Current and other assets	\$ 9,302	\$ 3,326
Capital assets	<u>5,969</u>	<u>10,550</u>
Total assets	<u>15,271</u>	<u>13,876</u>
Other liabilities	<u>27</u>	<u>50</u>
Long-term debt outstanding	<u>128</u>	<u>640</u>
Total liabilities	<u>155</u>	<u>690</u>
Net assets:		
Invested in capital assets, net of debt	5,969	10,035
Restricted	9,433	3,412
Unrestricted	<u>(286)</u>	<u>(261)</u>
Total net assets	<u>\$ 15,116</u>	<u>\$ 13,186</u>

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of the Amite River Basin Drainage and Water Conservation District increased by \$1,929,612, or 14.6%, from June 30, 2010 to June 30, 2011. The primary reason is due to the addition of cash and equivalents.

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2011**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
 for the years ended June 30, 2011
 (in thousands)**

	Total	
	2011	2010
Operating revenues	\$	\$
Operating expenses	544	390
Operating income(loss)	(544)	(390)
Non-operating revenues	2,474	2,432
Non-operating expenses *		
Income(loss) before transfers	1,930	2,042
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ 1,930	\$ 2,042

* Enter expenses as a negative amount

The Amite River Basin Drainage and Water Conservation District's total revenues increased by \$40,875 or 1.7%. The total cost of all programs and services increased by \$153,427 or 39.3%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year ended June 30, 2011, the Amite River Basin Drainage and Water Conservation District had \$5,969,477 invested in a broad range of capital assets, including Canals and Drainage (see accompanying Table). This amount represents a net decrease (including additions and deductions) of \$4,580,827, or 43.4%, from last year.

This year's major deductions included (in thousands):

- \$4,650,000 refund of previously capitalized funds from the U.S. Army Corp of Engineers upon termination of a land acquisition agreement

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2011**

	<u>2011</u>	<u>2010</u>
Land	\$	\$
Buildings and improvements		
Equipment	9	12
Infrastructure	5,960	10,538
Intangible Assets		

Debt

The Amite River Basin Drainage and Water Conservation District had no bonds and notes outstanding at year-end, compared to \$515 thousand last year, a decrease of 100 % as shown in the accompanying table.

**Outstanding Debt at Year-end
 (in thousands)**

	<u>2011</u>	<u>2010</u>
General Obligation Bonds	\$	\$
Revenue Bonds and Notes	-	515
Totals \$	<u>-</u>	<u>515</u>

The Amite River Basin Drainage and Water Conservation District has claims and judgments of \$0 outstanding at year-end compared with \$0 last year. Other obligations include accrued vacation pay and sick leave.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$0 million over/under budget and expenditures were \$17,992 less than budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Amite River Basin Drainage and Water Conservation District's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- Appropriations from the State of Louisiana
- Capital outlay funds available
- Progress of construction

The Amite River Basin Drainage and Water Conservation District expects that next year's results will improve based on the following:

**STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2011**

- Adequate appropriations from the State and federal level
-
-

**CONTACTING THE AMITE RIVER BASIN AND WATER CONSERVATION DISTRICT'S
MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Amite River Basin Drainage and Water Conservation District's finances and to show the Amite River Basin Drainage and Water Conservation District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dietmar Rietschier at (225) 296-4900.

Statement A

STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
BALANCE SHEET
AS OF JUNE 30, 2011

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 91,391
Restricted Cash and Cash equivalents	194,325
Investments	8,977,950
Derivative instrument	
Deferred outflow of resources	
Receivables (net of allowance for doubtful accounts)(Note C)	36,232
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	1,890
Notes receivable	
Other current assets	
Total current assets	9,301,788

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets, net of depreciation (Note D):	
Land and non-depreciable easements	
Buildings and improvements	
Machinery and equipment	9,130
Infrastructure	5,960,347
Intangible assets	
Construction Development-in-progress	
Other noncurrent assets	
Total noncurrent assets	5,969,477
Total assets	\$ 15,271,265

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 26,689
Derivative instrument	
Deferred inflow of resources	
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
Other long-term liabilities	
Total current liabilities	26,689

NONCURRENT LIABILITIES: (Note K)

Contracts payable	
Compensated absences payable	1,671
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
OPEB payable	127,000
Other long-term liabilities	
Total noncurrent liabilities	128,671
Total liabilities	155,360

NET ASSETS

Invested in capital assets, net of related debt	5,969,477
Restricted for:	
Capital projects	9,432,629
Debt Service	
Unemployment compensation	
Other specific purposes	
Unrestricted	(286,201)
Total net assets	15,115,905
Total liabilities and net assets	\$ 15,271,265

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

Statement B

OPERATING REVENUE	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____
Other	_____
Total operating revenues	_____
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	_____ 540,832
Depreciation	_____ 3,076
Amortization	_____
Total operating expenses	_____ 543,908
Operating income(loss)	_____ (543,908)
NON-OPERATING REVENUES (EXPENSES)	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____ 2,459,905
Use of money and property	_____ 13,615
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	_____
Other expense	_____
Total non-operating revenues(expenses)	_____ 2,473,520
Income(loss) before contributions, extraordinary items, & transfers	_____ 1,929,612
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	_____ 1,929,612
Total net assets – beginning	_____
Total net assets – ending	\$ _____ 1,929,612

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2011**

Statement C

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
			<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Entity	\$ <u>543,908</u>	\$ _____	\$ _____	\$ _____	\$ <u>(543,908)</u>
General revenues:					
Taxes					<u>2,459,905</u>
State appropriations					_____
Grants and contributions not restricted to specific programs					_____
Interest					<u>13,615</u>
Miscellaneous					_____
Special items					_____
Extraordinary item - Loss on impairment of capital assets					_____
Transfers					_____
Total general revenues, special items, and transfers					<u>2,473,520</u>
Change in net assets					<u>1,929,612</u>
Net assets - beginning as restated					<u>13,186,294</u>
Net assets - ending					\$ <u><u>15,115,906</u></u>

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA **Statement D**
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (continued)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

Cash flows from operating activities		
Cash received from customers	\$	
Cash payments to suppliers for goods and services		<u>(344,237)</u>
Cash payments to employees for services		<u>(183,484)</u>
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		<u>(527,721)</u>
Cash flows from non-capital financing activities		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		<u>2,423,673</u>
Net cash provided(used) by non-capital financing activities		<u>2,423,673</u>
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		<u>(515,000)</u>
Interest paid on bond maturities		<u>(10,300)</u>
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		<u>4,556,151</u>
Net cash provided(used) by capital and related financing activities		<u>4,030,851</u>
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		<u>13,615</u>
Net cash provided(used) by investing activities		<u>13,615</u>
Net increase(decrease) in cash and cash equivalents		<u>5,940,418</u>
Cash and cash equivalents at beginning of year		<u>3,323,249</u>
Cash and cash equivalents at end of year	\$	<u>9,263,667</u>

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (concluded)
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2011**

(Increase)decrease in accounts receivable, net	_____	
(Increase)decrease in due from other funds	_____	
(Increase)decrease in prepayments	_____	1,299
(Increase)decrease in inventories	_____	
(Increase)decrease in other assets	_____	
Increase(decrease) in accounts payable and accruals	_____	(23,784)
Increase(decrease) in compensated absences payable	_____	(4,904)
Increase(decrease) in due to other funds	_____	
Increase(decrease) in deferred revenues	_____	
Increase(decrease) in OPEB payable	_____	18,700
Increase(decrease) in other liabilities	_____	
 Net cash provided(used) by operating activities		 \$ <u><u>(527,721)</u></u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$ _____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
_____	_____
_____	_____
 Total noncash investing, capital, and financing activities:	 \$ <u><u>-</u></u>

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

INTRODUCTION

The Amite River Basin Drainage and Water Conservation District was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:3301 et seq. The following is a brief description of the operations of the Amite River Basin Drainage and Water Conservation District and includes the parish/parishes in which the Amite River Basin Drainage and Water Conservation District is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Amite River Basin Drainage and Water Conservation District present information only as to the transactions of the programs of the Amite River Basin Drainage and Water Conservation District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Amite River Basin Drainage and Water Conservation District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
 Notes to the Financial Statement
 As of and for the year ended June 30, 2011**

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Amite River Basin Drainage and Water Conservation District are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>287,800</u>
Amendments:	<u>(400)</u>

Final approved budget	\$ <u><u>287,400</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Memo 11-36, Appendix A, for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Amite River Basin Drainage and Water Conservation District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Amite River Basin Drainage and Water Conservation District may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and

STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2011

deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2011, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	\$ 285,516	\$	\$	\$ 285,516
Deposits in bank accounts per bank	\$ 304,018	\$	\$	\$ 304,018
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized	_____	_____	_____	_____
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	_____
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's	_____	_____	_____	_____

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per Balance Sheet" due to outstanding items.

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
 Notes to the Financial Statement
 As of and for the year ended June 30, 2011**

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

1. <u>Capital One</u>	<u>Operations</u>	\$ <u>92,636</u>
2. <u>Hancock Bank</u>	<u>Construction</u>	<u>211,382</u>
3. _____	_____	_____
4. _____	_____	_____
Total		\$ <u><u>304,018</u></u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ _____
Petty cash	\$ <u>200</u>

2. INVESTMENTS

The Amite River Basin Drainage and Water Conservation District does/does not maintain investment accounts as authorized by LA Revised Statute 33:2955.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

**STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

C. Concentration of Credit Risk

N/A

D. Foreign Currency Risk

N/A

4. DERIVATIVES (GASB 53)

N/A

5. POLICIES

N/A

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

a. Investments in pools managed by other governments or mutual funds

LAMP

b. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool

LAMP is subject to the regulatory oversight of the state treasurer and its board of directors.

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

**STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

Schedule of Capital Assets (includes capital leases)

<u>University/System</u>	Balance 6/30/2010	Prior Period Adjustments	Restated Balance 6/30/2010	Additions	* Reclassifi- cation of CIP	** Retirements	Balance 6/30/2011
Capital assets not depreciated:							
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-depreciable land improvements							
Non-depreciable easements							
Capitalized collections							
Software - development in progress							
Construction in progress	10,538,098		10,538,098	72,249		(4,650,000)	5,960,347
Total capital assets not depreciated	\$ 10,538,098	\$ -	\$ 10,538,098	\$ 72,249	\$ -	\$ (4,650,000)	\$ 5,960,347
Other capital assets:							
Depreciable land improvements							
** Accumulated depreciation							
Total infrastructure							
Buildings							
** Accumulated depreciation							
Total land improvements							
Machinery & Equipment	66,127		66,127				66,127
** Accumulated depreciation	(53,921)		(53,921)			(3,076)	(56,997)
Total buildings	12,206		12,206			(3,076)	9,130
Infrastructure							
** Accumulated depreciation							
Total equipment							
Software (internally generated & purchased)							
Other intangibles							
** Accumulated amortization - software							
** Accumulated amortization - other intangibles							
Total intangibles							
Total other capital assets	\$ 12,206	\$ -	\$ 12,206	\$ -	\$ -	\$ (3,076)	\$ 9,130
Capital asset summary:							
Capital assets not depreciated	\$ 10,538,098	\$ -	\$ 10,538,098	\$ 72,249	\$ -	\$ (4,650,000)	\$ 5,960,347
Other capital assets, book value	66,127		66,127				66,127
Total cost of capital assets	10,604,225		10,604,225	72,249		(4,650,000)	6,026,474
Accumulated depreciation/amortization	(53,921)		(53,921)			(3,076)	(56,997)
Capital assets, net	\$ 10,550,304	\$ -	\$ 10,550,304	\$ 72,249	\$ -	\$ (4,653,076)	\$ 5,969,477

* Should only be used for those completed projects coming out of construction-in-progress to fixed assets.

** Enter a negative number except for accumulated depreciation in the retirement column

**STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

E. INVENTORIES

N/A

F. RESTRICTED ASSETS

N/A

G. LEAVE

1. COMPENSATED ABSENCES

The Amite River Basin Drainage and Water Conservation District has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2011 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$1,671. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Amite River Basin Drainage and Water Conservation District are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees. (Note: If LASERS is not your entity's retirement system, indicate the retirement system that

STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2011

is and replace any wording in this note that doesn't apply to your retirement system with the applicable wording.)

All full-time Amite River Basin Drainage and Water Conservation District employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://lasers.websitegadget.com/uploads/LASERS_2010_CAFR.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the Amite River Basin Drainage and Water Conservation District is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2011, increased to 22.0% of annual covered payroll from the 18.6% and 18.5% required in fiscal years ended June 30, 2010 and 2009 respectively. The (BTA) contributions to the System for the years ending June 30, 2011, 2010, and 2009, were \$28,557, \$27,308, and \$24,125, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer.

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
 Notes to the Financial Statement
 As of and for the year ended June 30, 2011**

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits. The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP's website - <http://www.doa.louisiana.gov/OSRAP/atirpackets.htm>) and select "GASB 45 OPEB Valuation Report as of July 1, 2010, to be used for fiscal year ending June 30, 2011." Report note disclosures for other plans, not administrated by OGB, separately.

Fiscal year ending	Annual OPEB expense and net OPEB Obligation	6/30/2011
1. * ARC		\$18,700
2. * Interest on NOO (4%)		\$4,300
3. * ARC adjustment		(\$4,100)
4. * Annual OPEB Expense (1. + 2. - 3.)		\$18,900
5. Contributions (employer pmts. to OGB for retirees' cost of 2011 insurance premiums)		\$0
6. Increase in Net OPEB Obligation (4. - 5.)		\$18,900
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)		\$108,100
8. **NOO, end of year (6. + 7.)		<u>\$127,000</u>

J. LEASES

NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2011 amounted to \$21,072. A schedule of payments for operating leases follows:

Nature of lease	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017- 2021	FY 2022- 2026
Office Space	\$ 21,072	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Equipment	2,917	_____	_____	_____	_____	_____	_____
Land	_____	_____	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____	_____	_____
Total	<u>\$ 23,989</u>	<u>\$ -</u>	<u>\$ -</u>				

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
 Notes to the Financial Statement
 As of and for the year ended June 30, 2011**

2. CAPITAL LEASES

N/A

3. LESSOR DIRECT FINANCING LEASES

N/A

4. LESSOR – OPERATING LEASE

N/A

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2011:

	<u>Year ended June 30, 2011</u>			Balance June 30, 2011	Amounts due within one year
	Balance June 30, 2010	Additions	Reductions		
Notes and bonds payable:					
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds payable	515,000	-	515,000	-	-
Total notes and bonds	<u>515,000</u>	<u>-</u>	<u>515,000</u>	<u>-</u>	<u>-</u>
Other liabilities:					
Contracts payable				-	-
Compensated absences payable				-	-
Capital lease obligations				-	-
Claims and litigation				-	-
Pollution remediation obligation				-	-
OPEB payable	108,100	18,900		127,000	
Other long-term liabilities	16,875		15,204	1,671	
Total other liabilities	<u>124,975</u>	<u>18,900</u>	<u>15,204</u>	<u>128,671</u>	<u>-</u>
Total long-term liabilities	<u>\$ 639,975</u>	<u>\$ 18,900</u>	<u>\$ 530,204</u>	<u>\$ 128,671</u>	<u>\$ -</u>

L. CONTINGENT LIABILITIES

The District is named as a co-defendant in a class action lawsuit involving the collection and uses of taxes collected within the Comite River Diversion Canal Impact Area. The District's attorney believes that an unfavorable outcome is remote. He is unable to estimate incremental costs associated with litigation, court costs and attorney's fees as of August 31, 2011.

**STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

M. RELATED PARTY TRANSACTIONS

N/A

N. ACCOUNTING CHANGES

N/A

O. IN-KIND CONTRIBUTIONS

N/A

P. DEFEASED ISSUES

N/A

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

1. PLEDGED REVENUES

N/A

2. FUTURE REVENUES REPORTED AS A SALE

N/A

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

N/A

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

N/A

T. SHORT-TERM DEBT

N/A

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
 Notes to the Financial Statement
 As of and for the year ended June 30, 2011**

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2011, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Capital Projects Fund	\$	\$ 36,232	\$	\$	\$ 36,232
					-
Gross receivables	\$ -	\$ 36,232	\$ -	\$ -	\$ 36,232
Less allowance for uncollectible accounts					
Receivables, net	\$ -	\$ 36,232	\$ -	\$ -	\$ 36,232
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2011, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$ 10,143	\$ 5,479	\$	\$	\$ 15,622
Capital Projects	11,067				11,067
Total payables	\$ 21,210	\$ 5,479	\$ -	\$ -	\$ 26,689

W. SUBSEQUENT EVENTS

N/A

X. SEGMENT INFORMATION

N/A

Y. DUE TO/DUE FROM AND TRANSFERS

N/A

**STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in the Amite River Basin Drainage and Water Conservation District at June 30, 2011, reflected at \$11,067 in the liabilities section on Statement A, consist of \$11,067 in accounts payable.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

N/A

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

N/A

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

N/A

DD. EMPLOYEE TERMINATION BENEFITS

N/A

EE. POLLUTION REMEDIATION OBLIGATIONS

N/A

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

N/A

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
 SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
 June 30, 2011**

Name	Amount
<u>Brass, John C.</u>	\$ <u>780</u>
<u>Callender, Lawrence E.</u>	<u>1,875</u>
<u>Cornette, Russell W.</u>	<u>450</u>
<u>Lee, Willie George</u>	<u>525</u>
<u>Louque, Joel T.</u>	<u>465</u>
<u>Louque, Terry</u>	<u>840</u>
<u>Rouchon, Anthony "Tony"</u>	<u>645</u>
<u>Saucier, Randolph J.</u>	<u>495</u>
<u>Thibeau, Jerry R.</u>	<u>1,020</u>
<u>Thomas, Larry N.</u>	<u>960</u>
<u>Thompson, Donald "Don" E.</u>	<u>1,170</u>
<u>Zuelke, Dale S.</u>	<u>780</u>
Total	\$ <u><u>10,005</u></u>

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

STATE OF LOUISIANA

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than **\$3 million**, explain the reason for the change.

	<u>2011</u>	<u>2010</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 2,474	\$ 2,433	\$ 41	\$ 17%
Expenses	544	390	154	39%
2) Capital assets	5,969	10,550	(4,581)	(43%)
Long-term debt	155	690	(535)	(77%)
Net Assets	15,116	13,186	1,930	15%

Explanation for capital asset change:

During the current year, the District, along with the Louisiana Department of Transportation and Development terminated a land acquisition agreement with the U.S. Army Corp of Engineers to secure property for the Comite River Diversion Canal. As a result, \$4,650,000 of previously capitalized contributions to the project was refunded to the District, resulting in a reduction of capital assets.